Canadian Centre
For Foreign Policy
Development

Centre canadien
pour le développement
de la politique étrangère

[redacted]

125 promenade Sussex Drive, Ottawa, Ontario K1A 0G2
Telephone/Téléphone : **613 944 8278** Fax/Télécopieur : **613 944 0687**
www.cfp-pec.gc.ca

101-00756/

Report of the 1997 Roundtable on Burma

REPORT OF THE 1997 ROUNDTABLE ON BURMA

Vancouver

"Consider Burma as a frozen lake. On the surface, because of repression, everything seems frozen. But when the sun comes out and the ice melts, you find out there was a lot of life underneath all along..." (Daw Aung San Suu Kyi, 1997)

The Roundtable was held at Simon Fraser University on 28 April 1997. **Steven Lee**, Director of the Canadian Centre for Foreign Policy Development welcomed the Roundtable participants to this opportunity to "think together" about Burma. Burma has been identified as a critical issue in Canada's foreign policy as well as of great personal interest to Minister Lloyd Axworthy. His advisor on Asia-Pacific issues, **Denis Stevens**, welcomed the participants on behalf of the Minister, and directed their attention to two themes, among others: finding the means through multilateral contact to break the political log-jam around Burma, and controlling the expansion of Burma's drug trade (which has a considerable impact in Canada).

The Roundtable's local host, **Robert Anderson** of Simon Fraser University opened his observations with the quotation [above] from Norman Webster's interview with Suu Kyi, "consider Burma as a frozen lake". This vibrant metaphor surfaced a number of times through the Roundtable discussion. Anderson gave a personal account of one Canadian's 35 year intermittant relationship with Burma, all of it under a military government; he described his continued frustration that none of the efforts of the Burmese people have resulted in the achievement of a freer, more democratic society.

Ingrid Hall, the Director General for South and Southeast Asia of DFAIT, explained the measures which Canada had gradually put in place around Burma since 1988 (see

below). She said that these bilateral measures were in addition to the numerous efforts in and through multilateral institutions, including development banks and UN agencies. Ingrid Hall described her view that in the near future the grip of SLORC would probably tighten around the forces of the democratic opposition. This coincides with the readiness of ASEAN to admit Burma (along with Laos and Cambodia) as members; she explained that Minister Axworthy had raised the issue of delaying Burma's membership with all the ASEAN's Foreign Ministers. **Andrew Shore** of DFAIT described Canada's role in the resolution passed by UN members (a few weeks before the Roundtable) calling on the Government of Myanmar to end human rights violations. The question of trade and investment was dealt with by **Khawar Nasim** of DFAIT, explaining that Canadian imports from Burma were relatively small, and concentrated in garments, and that exports to Burma were even smaller, and concentrated in equipment for mining and logging. Moreover, there is a concensus among a number of member countries that Burma should not be allowed access to Asian Development Bank funds which originated as ODA contributions from donor countries.

After this detailed setting of the stage, the discussion turned to a number of points of view and description of current work. The Director for Asia of IDRC, **Randy Spence**, has visited Burma over the past few years, accompanied by his colleagues; he spoke of the difficulty of developing projects within the country (IDRC has supported one IRRI rice project there for many years), and of the difficulty of other agencies in managing their projects under present circumstances. This means that new projects have to have begin or have an anchor outside Burma, and wait for the opportunity to become established inside, in his opinion. **Micheline Levesque**, Asia Programme Officer for the ICHRDD in Montreal described her visits to Burma, and described that work that Centre has been doing with the government-in-exile and democratic opposition outside Burma. She described the

build-up in refugees along the Thai border. She said that this work has to be done in concert with a number of other donors and agencies.

On the Objective of Canadian Approaches

Participants in the Roundtable were in general agreement on the desirability of sending SLORC a strong message disapproving the violations of human rights in Burma, noting that such a message had been sent in the UN Resolution on Burma passed in April 1997. The urgency of the human rights situation is escalating and calls for condemnation of and/or influence upon SLORC's policies and practices. A matrix of relationships between four key elements emerged as fundamental in the Roundtable deliberations: 1) development of a more democratic society and economy, 2) the appropriate treatment of ethnic minorities and refugees, 4) control of the drug economy and drug trade. 4) development of legitimate investment and trade. Obviously there is a strong perceived linkage between these four objectives: a more democratic society would treat its minorities appropriately, and conditions for legitimate investment and trade would tend to diminish the government's reliance upon the drug trade. Control of the drug economy might lead to a more democratic economy. Refugees could be re-integrated in a more democratic society.

The optimal approach or approaches need to be considered from a broad menu of possibilities: and the Roundtable asked whether should Canada work for change -

unilaterally, bilaterally, and/or multilaterally?

from inside and/or outside Burma?

in official and/or unofficial capacities

The concensus was that all these avenues for change should be actively persued, although it was noted that Canada's influence through acting unilaterally was very limited, and through working inside the country was very limited; even in these cases, however, participants

argued that such options must always be kept open in case opportunities for unilateral action or working inside Burma suddenly appear.

Policy options in these areas, it was said by **Peter Globensky** of Associates to Develop Democratic Burma could be evaluated by whether they *aid, abet, or impede* Burma's democratic development, and whether they would permit Canada to proceed with the greatest flexibility. There was a concensus that policy options which would encourage Canada to develop and maintain a *creative, visible, and active role* in and around Burma were most desirable. Selecting the appropriate policy tools to use to apply pressure on SLORC requires a careful assessment of *benefits, risks* and *costs* to Canada's reputation, energy, resources, other relationships, and values. (It was pointed out that further research is necessary to ascertain, from Canada's point of view, the legality of some strategies.) These same policy options which are found attractive to Canadians need to be carefully reviewed with respect to the security and aspirations of the Burmese people. Action needs to adress the interests of both Burmese and Canadians, according to Roundtable.

A Discussion About Economic Sanctions

Discussion turned to the question of economic sanctions and other measures to bring pressure on SLORC to change its policies and practices. NOTE: this discussion occurred just after US President Clinton announced [on 22 April] a new policy to prohibit further new US investment in Burma (while not interfering with existing contracts). This announcement was followed, in the days leading up to the Roundtable, by statements from Foreign Ministers of ASEAN member-countries that President Clinton's policy would not alter the timetable of accepting Burma as a member. However, it is reported that Burma will not achieve "dialogue partner" status for an indefinite period.

It was proposed and agreed that the imposition of sanctions be assessed from three perspectives:

- Would the imposition of sanctions be morally and legally *right*'?
- Would sanctions be strategically *useful* ?
- Would sanctions be *effective*, symbolically and/or practically?

A LIST OF THE CURRENT APPLICATION OF CANADIAN MEASURES

* no use of bilateral ODA since 1988
* no use by Burma of ODA through the Int. Financial Institutions (eg Asian Dev Bank)
* no official Canadian trade promotion
* no visas granted to SLORC officials
* no technical cooperation
* no sales of military equipment
* no EDC risk insurance for any Canadian company doing business in Burma
* no diplomatic presence and no commercial missions
* co-sponsor of UN resolution condemning human rights conditions in Burma

ROUNDTABLE ARGUMENTS IN FAVOUR OF ECONOMIC SANCTIONS

1 Trade sanctions would set out Canada's position in unambiguous terms. There is presently international confusion and Canadian confusion about what to do about Burma.

2 A significant number of Canadians would welcome economic sanctions, particularly when they understood that forced labour and/or child labour are common in some sectors of the economy. Ending trade through sanctions in the garment sector would also end unfair competition with Canadian workers and manufacturers.

3 By cutting off trade with Canada, sanctions would reduce hard currency capital available to the SLORC régime.

4 Although the value of legitimate trade between Canada and Burma is small[1], Burma's economy is itself small and the effect of a suspension in trade concentrated in one sector (such as garments) would be noticed.

5 If, due to the structure of trade, the sanctions mainly affected the garment/textile industry, they would have a ripple effect in the military community, because it is reported that having a relative in the military is a pre-requisite to obtaining employment in the industry. This ripple effect would undermine the prestige of the military.

6 Canada's announcement of economic sanctions would spread support for Daw Suu Kyi herself, the person properly elected as leader of the (suspended) Parliament , and would give confidence to the majority of the Burmese people. Don't adopt sanctions as a way to punish SLORC but to assist the Burmese people.

7 The formal imposition of comprehensive trade sanctions by Canada would eliminate certain inconsistencies of our position *vis-a-vis* Burma, such as blocking foreign aid funds but having no official opposition to the Canada-Burma garment trade, and having Burma included in the definition of Canada's Generalized System of Preferences.

8 The imposition of sanctions against Burma may have a positive, or restorative effect on Canada's reputation at the UN, where the decision not to co-sponsor the resolution on human rights in China caused some concern.

---

[1] In 1995, Canadian imports from Burma were valued at $14.1 million, exports at $1.9 million. In 1996, imports were $14.5 million, exports were $1.7 million. The imports to Canada were mostly garments and textiles, and the Canadian exports to Burma were mostly equipment (for example, mining equipment).

9 Sanctions may offer some comfort and support to those within ASEAN, including leaders not now in power, who would like to disagree with ASEAN's acceptance of Burma's membership, or with Burma's policies.

10 There was some concern expressed that a call for partial or voluntary sanctions not take the place of formal trade sanctions, reference being made to the ineffectiveness of the call for voluntary and partial sanctions in South Africa, especially in the mining and investment sectors.

11 Sanctions should be unilateral, if necessary, and other countries would follow the Canadian lead. This is what is meant about Canada as leader.

12 There was some preference, among those who advocated sanctions, for applying them on trade, investment, and business rather than on other sectors such as education, culture, health, etc.

ROUNDTABLE ARGUMENTS AGAINST ECONOMIC SANCTIONS

1 What, it was asked, are the economic instruments of influence on SLORC, if any? The question is not only "is it the right thing to do?" but also "will it have any beneficial effect ?" What is Canada's advantage, and does it include economic sanctions?

2 Because Daw Aung San Suu Kyi and other Burmese leaders themselves have been calling for sanctions is not a sufficient reason to impose them; the question is "do we have

more chance of aiding democracy in Burma with or without Canadian economic sanctions"?

3 Participants present knew of no other country which has imposed economic/trade sanctions on Burma.

4 The unpredictability of SLORC's reaction makes ascertaining the effect of sanctions on Burmese people (including refugees on the border) difficult. The imminent admission of Burma into ASEAN has fueled this concern, as it is believed that as a recognized member of ASEAN, SLORC will be less exposed to international pressure. Foreign Ministers of most major ASEAN members have already stated that the imposition of a US ban on new investment (after 23 April) would not alter the timetable of Burma's joining ASEAN in the near future. (Minister Axworthy had already raised with his ASEAN counter-parts the question of delaying membership in ASEAN until certain milestones had been achieved.

5 A key argument against the imposition of trade sanctions has been that sanctions would in all probability affect the Burmese people more immediately and severely that they would affect SLORC, if sanctions had any effect at all.

6 As was evidenced in the case of South Africa, some said, it is difficult to persuade business to act against its own perceived self interest. The best way business can be persuaded to cooperate with any movement to isolate and/or influence SLORC is if it is perceived to be in the long term interest of companies, showing that Burma would be a better place to do business if it is more respectful of the rule of law, would be more democratic, and Burmese would be more receptive to companies which maintained such a position. There was consideration of the potential of a sector by sector application of

pressures, using conditionality and benchmarks to achieve certain negotiated improvement in objective conditions, for example in the garment sector. One problem with this approach is that current agreements with the WTO limit Canada from acting unilaterally in a sector like garments. It was agreed this sector-by-sector approach required further study.

7 The actual value of the application of the Generalized System of Preferences is currently $18,000. This was viewed as providing negligible leverage.

8 It was felt that more knowledge is needed before a decision on sanctions could be taken. It was also noted that there is insufficient information as to the legality of Canada unilaterally imposing trade sanctions. In the past, Canada has been a party to multilateral initiatives. Further research is required before the recommendation to move unilaterally on trade sanctions can be reviewed.

9 Canada has imposed so many informal sanctions on Burma that there is little left to prohibit. While we have been successful in a practical sense (Canada provides little to sustain the SLORC régime), our pressures have probably had little impact in creating momentum inside Burma for support of the Burmese human rights. (The work of ICHRDD on behalf of democratic development in Burma from an outside position was acknowledged). However, speaking in 1997, nine years after 1988, not to mention the 26 years of martial law before 1988, this "little impact" is a very sobering conclusion. If no other country has imposed economic sanctions, how much influence will Canadian sanctions have in Burma now? The striking examples of the risks the people took in 1988, and the outcome of the 1990 elections, are evidence that the Burmese people have not given up hope, and so practical methods of assisting them should be considered.

10 It was suggested that a public cynicism about the motivations for imposing sanctions is partly to blame for the "international confusion" and the Canadian confusion referred to above. Canada has not imposed sanctions on big trading partners like China, so what would the public think of our motivation to impose them on small countries like Burma? Overcoming this cynicism among Canadians would be difficult if sanctions were imposed. In contrast, measures are needed to assist Canada to take a leadership position *vis-a-vis* Burma, and human rights in general. It was suggested that one of the reasons that the various strategies already in place (such as the suspension of foreign aid) have been ineffective in altering the cynicism is because they are not common knowledge among Canadians. Making Canadians more fully aware about our positions on Burma is the first step to creating a more visible role for Canada in assisting the Burmese people. This was said in clear recognition in the Roundtable of the measures already taken by Canada, and of the efforts by agencies like ICHRDD in Montreal or IDRC in Ottawa, and Canadian NGOs, to find practical ways to persue these broad objectives.

FURTHER "NON-ECONOMIC" INITIATIVES

The following is a brief summary of the other "non-economic" policy options generated in the course of the Roundtable on Burma. This summary clarifies the complexity of the discussion by grouping the options in reference to the matrix of issues which emerged. It is recognized immediately that some of the options listed here do have economic implications, for example in that they could use Canada's ODA and other resource mechanisms.The order of discussion which follows is not an indication of importance in participants minds, but rather corresponds to the flow of discussion by the participants.

A fourth dimension mentioned above, **the development of legitimate Canada-Burma investment and trade**, is to be understood as relevant when other questions

about sanctions are answered. This issue was not discussed in detail. Although it was noted that some Canadian mining companies now work in Burma, other Canadian companies with potential skills and interests are awaiting a significant change in internal conditions before persuing that option. One representative of a major Canadian company of consulting engineers present, **Jennifer Simons** noted that her company (H.A. Simons) had discussed this and continues to discuss it, but is awaiting significant changes before acting on opportunities in the mining field. She said that the question of working in Burma induced a debate in her company, and there was a difference of opinion at different levels and in different departments, but that the company would hold back until changes occured.

I WITH REFERENCE TO REFUGEES AND ETHNIC MINORITIES

Provide Canadians with better information about the informal actions already undertaken by Canadian government, agencies, and NGOs,

- Assist border people and refugees through CIDA-funded programs, to the extent permitted by bordering states,
- Offer support and assistance through non-official channels. Suggestions include the partnering of Thai and Canadian NGOs to assist refugees and people in the border areas. Churches and religious organizations (including Buddhist and Christian organizations, depending on the affilitation of the refugees themselves), as well as universities and research institutions may be useful in channeling assistance directly to the Burmese people.

Discussion focused on balancing the need for urgent and decisive action with an awareness of the potential retaliation by SLORC to such action. First and foremost, the risks associated with economic sanctions include the threat of exacerbating the already intolerable human rights situation being endured by the Burmese people. Also threatened would be the tenuous communication links between Canada and the Burmese at the borders as well as access to Daw Aung San Suu Kyi. As already noted, this would be a calculated risk, since Suu Kyi, speaking for the vast majority of Burmese people, has expressed her desire for sanctions and the return of their elected government. A more problematic risk

would be the danger to the lives and work of hundreds of people working for human rights and democracy in the region. Their fates would be uncertain as it is difficult to predict the extent to which ASEAN countries (including Thailand) would or would not support work which was inherently critical of SLORC. Some consideration should be given as to whether Canadians would welcome Burmese refugees to Canada, and the question was raised as to whether Burma was presently classified in Canadian refugee/immigration policy as a "criminal regime".

II WITH REFERENCE TO THE DRUG ECONOMY AND TRADE

- Press for aggressive action on Burma's heroin trade with international partners, such as UN, G7, APEC, etc.
- Press drug issues with ASEAN members, especially Thailand.
- Encourage UN Working Group on Drugs to proceed quickly.
- Develop supplemental policy responses to drug-related issues both abroad and at home.

There was general recognition that economic sanctions, if imposed by Canada, would leave the highly lucrative drug trade untouched. Other approaches, both formal and informal, need to be explored. The drug trade is of central importance in the discussion of Burma's future because it, and not tax revenue, is the main source of funding for the activities of SLORC. It is thought that drug money is regularly used by SLORC to purchase weapons, as in the recent report that SLORC bought over $1 billion dollars worth of arms from China. It is difficult to solicit multilateral action on the drug trade because it clearly results in economic benefits to some neighbouring countries. If Burma is classified as a "criminal regime" under the Immigration Act this might give Canada some leverage. It was suggested by **Leslie Harmston** of Canadian Friends of Burma that the high toll exacted by Burmese heroin on Canadian lives, as well as high costs to our health and judicial systems, are sufficiently good reasons for Canada to work vigorously to crackdown on Burmese drug trafficking through a combination of policies at home and

abroad. Other participants said the role of the drug economy in Burma's development also needs to be better understood, so that when/if SLORC changes, the economic dependence and health problems associated with it can be addressed.

III WITH REFERENCE TO LONG-TERM SUSTAINABLE DEVELOPMENT

- Enlist the assistance of Asian democracies and democratic leaders (in and out of power) in achieving Burma's goals of a more democratic and sustainable form of development,
- Find ASEAN member(s) willing to use their influence in support of human rights improvements which are related to sustained economic development,
- Actively support and promote the UN Resolution on human rights inBurma, and support the Secretary-General's appointed Special Representative on Burma
- Consult with Burmese government-in-exile, and other groups, to insure optimal effectiveness of Canadian policy initiatives.
- "Reach in" and build communication bridges to and between Burmese people through use of Radio Canada International (RCI), starting with English language broadcasts. Canada could also cooperate with Norwegian broadcasts to Burma languages: in general, Canada should enhance media access for people raising the long-term questions about Burma, if possible.
* fund initiatives in education, and private visits, find means to help Canadians understand the conditions and cultures of the peoples of Burma, and raise their mutual awareness.

There was considerable discussion about leaving those Burmese who are working for democratic development and who are isolated as an indirect result of Canada's list of informal sanctions. It was suggested that efforts be made and maintained to bring people out for training, dialogue and research in all fields, but especially in the areas of economic reform, democratic development, natural resource management, education and health. The great difficulties in doing this were noted, in particular the necessity of receiving SLORC approval for any Burmese leaving the country, and the subsequent isolation and/or risk which participants in such a program may experience upon their return.

Certain initiatives were identified as requiring urgent and immediate attention, such as trying to influence ASEAN members through dialogue to bring influence on Burma. The Canadian Ambassador to Thailand's visits to Burma, and to visit Daw Suu Kyi should be continued. Twelve such visits were noted. Interwoven with the political and economic considerations were two recurrent themes: the desperate situation of Burmese people in the country and on the border, and the worsening situation of Daw Aung San Suu Kyi and the harsh treatment of other democratic activists by SLORC.

The final initiative called for by participants of the Roundtable was the preparation of Canadians and Burmese for long-term commitment and the expectation of slow changes in Burma's situation. This might require a change in official approach, to acknowledge that ODA and other resources could be used for such activities outside Burma. This long-term approach is thought to be complementary balanceto work on immediate issues such as refugees and drugs. With this in mind, Canada should plan and fund programs which prepare Burmese (and Canadians) for eventual changes, gradual though they might be. These programs would build their capacity to influence those changes and contribute to another kind of social, economic, and political development, different from what is happening now. If changes are rapid, Canadians would doubtless respond quickly. But if changes are gradual, and at times imperceptible, this is no reason for Canadian inactivity. Programs with a long horizon are potentially as important as the capacity for rapid response. As one participant said "can we really take ourselves seriously if we aren't doing much about Burma?"